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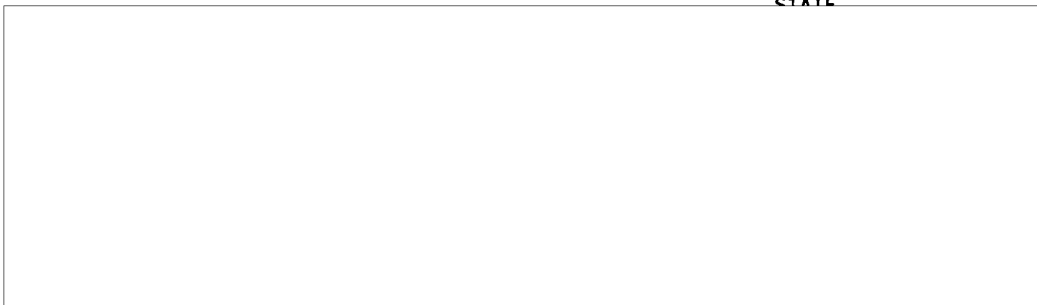
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E.O. 12356: DECL: OADR  
TAGS: PREL, PGDV, ECDN, IN  
SUBJECT: CODEL HATCH: MEETING WITH FOREIGN SECRETARY  
BHANDARI

## 1. C - ENTIRE TEXT

2. SUMMARY: SENATORS HATCH AND HECHT AND REPRESENTATIVES LAGOMARSINO, COURTER AND DEWINE, ACCOMPANIED BY CANNISTRARO (NSC), PILLSBURY (DOD), ABRAMOWITZ (STATE), STAFFERS HOPKINS AND WILLIAMS, AMBASSADOR AND DCM MET WITH FOREIGN SECRETARY BHANDARI FOR OVER AN HOUR SUNDAY AFTERNOON, JANUARY 12. BHANDARI WAS ACCOMPANIED BY AMBASSADOR TO U.S. BAJPAI, FORMER DCM PETER SINAI, NORTH AMERICAS JOINT SECRETARY SIDDHARTH SINGH AND DIRECTOR OF INSTITUTE FOR DEFENSE ANALYSIS K. SUBRAHMANYAM. SUBJECTS COVERED INCLUDED INDO-PAK RELATIONS, INDO-CHINESE RELATIONS, U.S. SANCTIONS AGAINST LIBYA AND VIETNAM/KAMPUCHEA. BHANDARI REVIEWED STATUS OF DISCUSSIONS BETWEEN INDIA AND PAKISTAN ON A WIDE RANGE OF ISSUES, GIVING A GENERALLY UPBEAT BUT CAUTIOUS APPRAISAL. ON CHINA HE INDICATED THERE HAD BEEN VIRTUALLY NO PROGRESS AND THAT THERE WAS LITTLE PROSPECT FOR PROGRESS UNTIL THE BORDER ISSUE CAN BE ADDRESSED. AS FOR U.S. SANCTIONS AGAINST LIBYA, HE SAID WHILE THE GOI FELT U.S. POLICY WOULD BE COUNTERPRODUCTIVE, THE INDIAN GOVERNMENT DID NOT PLAN TO ISSUE A STATEMENT ON EITHER THE TERRORIST ASPECT OR ON THE U.S. ECONOMIC SANCTIONS. AS FOR KAMPUCHEA, INDIA HAS BEEN CONSIDERING HOW TO ACCELERATE VIETNAMESE WITHDRAWAL AND IS DISCUSSING WITH SOME OTHER "DISINTERESTED" COUNTRIES HOW TO STRENGTHEN KAMPUCHEAN INFRASTRUCTURE SO AS TO FOSTER VIETNAMESE WITHDRAWAL  
END SUMMARY.

3. PAKISTAN: BHANDARI SAID THAT, CONTRARY TO POPULAR BELIEF IN SOME QUARTERS, PAKISTAN'S STABILITY IS VERY MUCH IN INDIA'S INTEREST. DIFFERENCES BETWEEN THE

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TWO COUNTRIES SIMPLY CREATE PROBLEMS FOR INDIA THAT THEY WOULD JUST AS SOON DO WITHOUT. FURTHERMORE, GOOD INDO-PAK RELATIONS MAKE FOR GOOD DOMESTIC POLITICS GIVEN THE LARGE MUSLIM POPULATION IN INDIA WHICH TODAY IS ALMOST AS LARGE AS THE POPULATION OF PAKISTAN ITSELF. WHILE INDIA STILL IS BOTHERED BY PAST PAKISTANI DUPLICITY, I.E., PREACHING PEACE BUT ACTING OTHERWISE, THE PM BELIEVES THAT IT IS TIME TO FORGET THE PAST AND MOVE ON TO RESOLVING PROBLEMS. WHILE THERE WERE MANY EXCHANGES OF VIEWS DURING 1985, THE PM FEELS THAT IT IS TIME TO GET DOWN TO SPECIFICS. IN THE DECEMBER MEETINGS WITH PRESIDENT ZIA, THEY AGREED IT WAS TIME BOTH PARTIES PUT THEIR CARDS ON THE TABLE AND WORKED OUT SOLUTIONS. BHANDARI THEN TICKED OFF THE FOLLOWING SECTORS WHERE DISCUSSIONS ARE OR WILL BE TAKING PLACE:

A. INTERFERENCE IN INTERNAL AFFAIRS: ILLUSTRATIONS FOR INDIA ARE PAK PUBLIC COMPLAINTS REGARDING GOI TREATMENT OF MUSLIM COMMUNITY IN INDIA AND SUPPORT FOR SIKH EXTREMISTS IN PUNJAB. PAKS, TOO, SHOULD AIR THEIR GRIEVANCES OVER SUPPOSED INDIAN INTERFERENCE IN PAKISTAN. BOTH SIDES SHOULD RESOLVE TO REMOVE ANY DOUBT THAT THEY ARE SUPPORTING INTERNAL, ANTI-GOVERNMENT AGITATION.

B. KASHMIR: INDIA PROPOSED THAT THIS ISSUE BE WORKED ON BILATERALLY OVER TIME AND THAT PAKISTAN NOT RAISE THE ISSUE ANY MORE IN MULTILATERAL FORA.

C. NUCLEAR: INDIA BELIEVES PAKISTAN IS "BEYOND THE SCREWDRIIVER STAGE." THEY HAVE AGREED NOT TO ATTACK EACH OTHER'S NUCLEAR FACILITIES AND TO CONTINUE TALKING. BHANDARI EMPHASIZED THAT INDIA STILL BELIEVES THIS IS AN AREA WHERE THE U.S. CAN PLAY A VERY IMPORTANT, DETERRENT ROLE.

D. AFGHANISTAN: BHANDARI ASSERTED THAT THE PM BELIEVES IN TALKING, NOT SHOUTING, AND THAT HE CONTINUES TO STRESS TO THE SOVIETS THAT SOVIET TROOPS MUST BE WITHDRAWN. HE IS REASSURED REGARDING U.S. GUARANTEES. AT THE MOMENT THERE ARE TWO ISSUES

INDIA IS LOOKING INTO. ONE IS SORTING OUT WHETHER OR NOT CORDOVEZ HAS BEEN GIVEN SOMETHING REGARDING THE TIME AND CONDITIONS FOR SOVIET TROOP WITHDRAWAL. THE OTHER IS DIRECT TALKS. THE INDIANS ARE ENCOURAGING THE PAKS TO FIND SOME FORMULA BY WHICH THEY CAN ENGAGE IN DIRECT TALKS WITH THE KARMAL REGIME WITHOUT

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SUGGESTING RECOGNITION OF IT. HERE THE INDIANS BELIEVE THE U.S. COULD BE HELPFUL IN ENCOURAGING THE PAKS TO FIND SUCH A FORMULA BECAUSE THIS WOULD GO A LONG WAY TOWARD A SOLUTION.

E. SIACHIN: THE TALKS BETWEEN THE DEFENSE SECRETARIES ARE DESIGNED TO TRY TO REACH SOME UNDERSTANDING ON HOW TO EXTEND THE CEASEFIRE LINE. THIS WILL BE A DIFFICULT, PROTRACTED PROCESS. THE HOPE IS THAT WHILE THE TWO SIDES TALK A CEASEFIRE WILL BE HONORED.

F. TRADE: INDIA'S OBJECTIVE IS TO REMOVE PAKISTAN'S SINGLING OUT INDIA FOR DISCRIMINATORY TREATMENT. ON THIS SCORE, THE RECENTLY CONCLUDED TALKS MADE

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CONSIDERABLE PROGRESS.

G. PEOPLE TO PEOPLE: UNDER THIS RUBRIC BHANDARI SAID THEY ARE DISCUSSING OPENING MORE CROSSING POINTS, PARTICULARLY ONE ON THE SIND-RAJASTHAN BORDER, ELIMINATING HARRASSMENT OF THE VISITORS TO EACH OTHER'S COUNTRY BY ELIMINATING DAILY REPORTING TO THE POLICE, AND GENERALLY LIBERALIZING CULTURAL, NEWSPAPER, SCHOLARLY JOURNAL, AND FILM EXCHANGES.

H. PAKISTANI MILITARY: BHANDARI SAID THAT IRRESPECTIVE OF THE FACTS, THERE IS STILL A PREVAILING PERCEPTION IN INDIA THAT PAKISTAN IS ARMING AGAINST INDIA. HE RECALLED THAT AT THE TIME OF THE SOVIET INVASION OF AFGHANISTAN, INDIA HAD PLEDGED THAT IF PAKISTAN WOULD RELOCATE ITS FORCES ALONG THE AFGHAN BORDER, INDIA WOULD NOT THREATEN PAKISTAN ALONG THEIR COMMON FRONTIERS. SIX YEARS LATER PAKISTAN HAS REDEPLOYED VIRTUALLY NONE OF ITS FORCES SO INDIA CONTINUES TO BE CONCERNED. NEVERTHELESS, INDIA CAN CATEGORICALLY STATE THAT IT HAS NOT AND WILL NOT JOIN IN ANY SOVIET SCHEME TO CAUSE PAKISTAN DIFFICULTIES ON THE INDIAN AND AFGHANISTAN BORDERS.

4. CHINA: BHANDARI RECALLED THAT CHINA HAD BEEN DESIROUS OF TRYING TO NORMALIZE RELATIONS IN MANY AREAS, LEAVING THE DIFFICULT BORDER PROBLEMS FOR LATER RESOLUTION. INDIA, HOWEVER, CONTINUES TO RESIST THIS APPROACH BECAUSE THEY FEAR THAT THE CONSEQUENCE WOULD BE GREATER FOCUS ON THE BORDER ISSUE, MAKING IT EVEN MORE INTRACTABLE. WITHOUT RESOLVING THE BORDER ISSUE, INDIA COULD NEVER CONSIDER ITS RELATIONS WITH CHINA NORMALIZED. BHANDARI'S ASSESSMENT OF THE PROSPECTS FOR FUTURE IMPROVEMENT IN SINO-INDIAN RELATIONS WAS QUITE PESSIMISTIC.

5. KAMPUCHEA: BHANDARI NOTED THAT IN THE PM'S BRIEF STOPOVER IN HANOI ENROUTE TO JAPAN IN NOVEMBER, THE VIETNAMESE HAD MADE THREE POINTS: THE NEED FOR ASSISTANCE TO RESOLVE THEIR MASSIVE ECONOMIC PROBLEMS, THEIR COMMITMENT TO WITHDRAW TROOPS FROM KAMPUCHEA BY 1990, AND THEIR UNHAPPINESS OVER HAVING TO BE SO CLOSELY TIED TO THE SOVIETS BECAUSE OF CHINESE HOSTILITY AND LACK OF ASSISTANCE FROM THE REST OF THE WORLD. BHANDARI THEN FOCUSED ON KAMPUCHEA SAYING THE VIETNAMESE HAD LAID DOWN A 5-YEAR TIME TABLE FOR TROOP WITHDRAWAL BECAUSE IT WOULD TAKE THAT LONG TO REBUILD THE ECONOMIC INFRASTRUCTURE OF KAMPUCHEA. WITHOUT SUCH AN INFRASTRUCTURE, NO REGIME WHICH THE VIETNAMESE WOULD LEAVE BEHIND WOULD BE STABLE. FROM INDIA'S PERSPECTIVE, GIVEN THE HISTORIC, INIMICAL RELATIONSHIP BETWEEN VIETNAM AND CHINA, IT WOULD DO KAMPUCHEA NO GOOD TO HAVE A VIETNAMESE PULLOUT FOLLOWED BY A TAKEOVER BY A CHINESE-SUPPORTED FACTION. HENCE INDIA'S OBJECTIVE IS TO WORK WITH A NUMBER OF OTHER "DISINTERESTED" PARTIES SUCH AS AUSTRALIA TO SPEED UP VIETNAM'S WITHDRAWAL TIME TABLE BY CONTRIBUTING TO AN ACCELERATED REBUILDING PROGRAM IN KAMPUCHEA WHILE AT THE SAME TIME HELPING DEVELOP A POLITICAL STRUCTURE ACCEPTABLE TO THE VIETNAMESE. BHANDARI SAID THAT WHILE SIHANOUK HAD BEEN PREPARED TO FORM SUCH A GOVERNMENT, THE CHINESE HAD THREATENED HIM AND HE WAS, THEREFORE, UNABLE TO ACT.

6. LIBYA: A FULLER REPORT ON THE INDIAN POSITION ON LIBYAN SUPPORT FOR TERRORISM WILL BE SENT SEPTEL. IN THIS SESSION BHANDARI NOTED THAT INDIA DOES NOT AGREE WITH THE U.S. APPROACH. HE SAID THAT WHILE MANY

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NATIONS, INCLUDING INDIA, ARE VICTIMS OF TERRORISM, INDIA FEELS THAT WE MUST FIND OTHER METHODS TO DEAL WITH TERRORISM. THE TYPE OF PRESSURE THE U.S. IS TRYING TO ASSERT THROUGH ECONOMIC SANCTIONS WILL NOT WORK. HAVING WORKED WITH THE LIBYANS AND KNOWING THEIR PSYCHOLOGY, THE INDIANS BELIEVE THIS U.S. TACTIC WILL HAVE EXACTLY THE OPPOSITE RESULTS. IN FACT, BHANDARI ARGUED THAT ALL IT WILL DO IS DRIVE THE LIBYANS CLOSER TO THE SOVIETS. RATHER THAN LESSENING OF LIBYAN SUPPORT FOR TERRORISTS, THE U.S. POLICY WILL SIMPLY ESCALATE TERRORIST ACTIVITY AND THIS IS PERHAPS WHY THE U.S. HAS NOT GENERATED MUCH SUPPORT FOR ITS POSITION. NEVERTHELESS, EVEN THOUGH INDIA DISAGREES WITH THE U.S. APPROACH, INDIA WILL NOT TAKE THE INITIATIVE TO SPEAK OUT AGAINST THE U.S.-IMPOSED SANCTIONS.

COMMENT: AS NAM CHAIRMAN, INDIA WOULD NORMALLY SIDE WITH A NAM MEMBER AGAINST THE U.S. THE FACT THAT BHANDARI IS TAKING THIS HELPFUL STANCE DESPITE GOI DISAGREEMENT WITH OUR POLICY IS ANOTHER INDICATION OF INDIAN DESIRE TO KEEP OUR BILATERAL RELATIONSHIP ON AN EVEN KEEL. HOWEVER, ARAB AND OTHER NAM GOVERNMENTS HAVE BEEN AND WILL SURELY CONTINUE TO PRESS DELHI TO OPPOSE OUR SANCTIONS POLICY IN PUBLIC. WE CANNOT BE CERTAIN THAT THE GOI WILL BE ABLE TO RESIST THESE PRESSURES INDEFINITELY. END COMMENT.

BHANDARI PROCEEDED ON FROM THIS DISCUSSION TO EXPRESS HIS CONCERNS ABOUT THE EMERGING SITUATION BETWEEN SYRIA AND ISRAEL. HE IS VERY CONCERNED THAT THE ANTI-LIBYAN ACTIONS AND THE ESCALATING SYRIAN-ISRAELI CONFRONTATION WILL GET SYNCHRONIZED, CREATING A VERY EXPLOSIVE SITUATION. HIS CONCERN IS THAT THE FAILURE TO RESOLVE THE MID-EAST CRISIS WILL PUT PRESSURE ON THE PRO-WESTERN DEMOCRATIC REGIMES, SOME OF WHICH, E.G., U.A.E., KUWAIT, OMAN, ARE ALREADY ESTABLISHING CLOSER TIES WITH THE SOVIETS.

8. IN THE COURSE OF THE DISCUSSIONS, SENATOR HATCH STRESSED STRONG SUPPORT IN THE CONGRESS FOR AN IMPROVEMENT IN INDO-U.S. RELATIONS, SAYING THAT MEMBERS OF CONGRESS RECOGNIZE THE GREAT IMPORTANCE OF INDIA TO THE REGION AND ITS EMERGENCE AS A POWER ON THE WORLD SCENE. HE REQUESTED THAT THE INDIANS LET THE MEMBERS OF CONGRESS KNOW IF THERE IS ANYTHING THEY CAN DO TO HELP THE PROCESS ALONG. HE NOTED THAT THE PM HAS TAKEN A POSITION AGAINST THE SOVIET OCCUPATION OF AFGHANISTAN, ALBEIT SUBTLE, AND URGED THE GOI TO TAKE A MORE ACTIVE ROLE. HE STRESSED THAT THE INDIAN POSITION IS EXTREMELY IMPORTANT BOTH AS A LEADER OF THE NAM AND BECAUSE OF THE SOVIET SENSITIVITY TO IT. IN ANY EVENT, GETTING THE SOVIETS OUT OF AFGHANISTAN COULD ALSO CONTRIBUTE TO IMPROVED INDO-U.S. RELATIONS WHILE A SUBSEQUENT REDUCTION IN U.S. MILITARY SUPPLY TO PAKISTAN SHOULD EASE INDIA'S CONCERN ABOUT PAK INTENTIONS. SENATOR HATCH REPORTED THAT PAKISTANI OFFICIALS HAD EXPRESSED TO CODEL THEIR CONCERNS THAT INDIA WAS SO DEPENDENT ON THE SOVIETS FOR TRADE, GENEROUS CREDIT TERMS, MILITARY SUPPLY, ETC. THAT THE SOVS WOULD PRESSURE INDIA TO MAKE THINGS TOUGH FOR PAKISTAN. THE SENATOR THOUGHT THAT IT WOULD ALSO BE IN INDIA'S INTEREST NOT TO BE SO DEPENDENT ON THE SOVIETS AND SAID HE WANTED TO ASSURE BHANDARI THAT THE U.S. WOULD DO WHAT IT COULD TO

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REDUCE SUCH DEPENDENCE THROUGH TRANSFER OF TECHNOLOGY,  
INCLUDING IN THE MILITARY AREA.

9. THIS CABLE HAS BEEN CLEARED BY CODEL HATCH.  
DEAN

END OF MESSAGE

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